

Gov Doc 86(p)

CA 1 YB-
1337

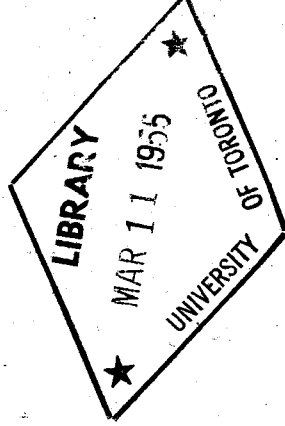
Second Session, Twenty-Second Parliament, 3-4 Elizabeth II, 1955.

THE SENATE OF CANADA

BILL P6.

An Act respecting The Bonaventure and Gaspe Telephone
Company, Limited.

AS PASSED BY THE SENATE, 3rd MARCH, 1955.



EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955

52957

CA1 YB
1337

Gov Doc. 864

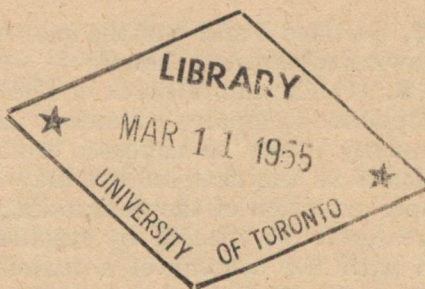
Second Session, Twenty-Second Parliament, 3-4 Elizabeth II, 1955.

THE SENATE OF CANADA

BILL P⁶.

An Act respecting The Bonaventure and Gaspé Telephone
Company, Limited.

AS PASSED BY THE SENATE, 3rd MARCH, 1955.



THE SENATE OF CANADA

BILL P⁶.

An Act respecting The Bonaventure and Gaspé Telephone Company, Limited.

Preamble.

1906-7, c. 64.

WHEREAS The Bonaventure and Gaspé Telephone Company, Limited, a company incorporated by chapter 64 of the statutes of 1906-7, has by its petition prayed that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Name in French.

1. Section 1 of chapter 64 of the statutes of 1906-7 is amended by adding thereto after the word "Limited" where the same appears on line nine thereof the words "and in French, La Compagnie de Téléphone Bonaventure et Gaspé Limitée".

Power to increase capital.

2. Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

"3. (1) The capital stock of The Bonaventure and Gaspé Telephone Company, Limited, hereinafter called "the Company", may be increased from time to time by such amounts as the shareholders may deem necessary for the proper extension of the undertaking of the Company, such increases to be effected by resolution of the directors by and with the consent of a majority of the shareholders present or represented by proxy at any annual general meeting or at any special general meeting of the shareholders called for that purpose: Provided that the total capital stock of the Company, including the present authorized capital stock, shall not exceed two million dollars.

Proviso.

Issue and sale of stock subject to approval of Transport Board.

(2) The Company shall not have power to make any issue, sale or other disposition of its capital stock, or any part thereof, without first obtaining the approval of the

EXPLANATORY NOTES.

Clause 1. Section 1 presently reads as follows:

"1. John Hall Kelly and Albert Caldwell, both of New Carlisle, Walter Hamon, John P. LeGrand and Eugene Bouillon of Paspebiac, W. J. Enright, of Port Daniel, R. H. Montgomery, of New Richmond, R. N. LeBlanc, of Bonaventure, all of the county of Bonaventure, in the Province of Quebec, and W. H. Wiggs, of the City of Quebec, in the Province of Quebec, together with such persons as become shareholders in the Company, are incorporated under the name of "The Bonaventure and Gaspé Telephone Company, Limited", hereinafter called "the Company".

The company operates primarily in the Province of Quebec, and for this reason, it is felt desirable to have the name in French as well as in English.

Clause 2. Sections 3 and 4 presently read as follows:

"3. The capital stock of the Company shall be one hundred thousand dollars, divided into shares of one hundred dollars each, and may be issued in whole or in part, and may be called up from time to time and in such manner as the directors determine; but no one call shall exceed fifty per cent on the shares subscribed, and there shall be an interval of at least thirty days between calls.

4. The capital stock may, after the whole thereof has been subscribed, and at least fifty per cent thereon has been paid up in cash, be increased from time to time by resolution of the directors, confirmed by two-thirds in value of the shareholders present or represented by proxy at any annual meeting, or at any special general meeting of the shareholders called for that purpose, in either case on thirty days' notice, to such an amount not exceeding one hundred and fifty thousand dollars additional, as the shareholders deem necessary."

The purpose of these new sections is to obtain authority to increase the capital stock of the Company from one hundred thousand dollars, divided into shares of one hundred dollars each, to two million dollars divided into shares of a par value of twenty-five dollars each. The authorized capital was subscribed and paid in full in the early years of the operation of the Company.

The capital sum required for the operations of a small local telephone system a half century ago is entirely inadequate to meet the necessities of a territory which is now undergoing a great economic expansion and wherein the necessities of the population for better and enlarged telephone communication are constantly increasing. The Telephone Company is now faced with a growing demand for better equipment and extension of its facilities to individuals and to entirely new communities established in the region.

Board of Transport Commissioners for Canada of the amount, terms and conditions of such issue, sale or other disposition of such capital stock.

Par value
of shares
changed.

4. (1) Notwithstanding anything in chapter 64 of the statutes of 1906-7, the capital stock of the Company is hereby subdivided into shares of the par value of twenty-five dollars each. Every person holding a share or shares of the par value of one hundred dollars each shall hereafter be deemed to be the holder of the same aggregate amount of the stock divided into shares of twenty-five dollars each, and on surrender of the share certificate or share certificates for shares of the par value of one hundred dollars each held by him shall be entitled to receive in exchange therefor a new certificate or certificates for the same aggregate amount of stock expressed in shares of the par value of twenty-five dollars. 5 10 15

Coming
into force.

(2) Subsection one of this section shall come into force on the first day of July, 1955, or on such earlier date as the directors of the Company may fix by resolution."

3. Section 8 of the said Act is repealed.

20

4. Section 10 of the said Act is repealed and the following substituted therefor:

Power.

"**10.** (1) Subject to the provisions of sections 250 and 251 of the *Railway Act*, and of the *Navigable Waters Protection Act*, the Company may 25

Telephone
lines.

(a) construct, purchase, lease or otherwise acquire, maintain, repair and operate lines of electric telephone over or under land or under water or both between any places or anywhere in the province of Quebec and in the counties of Restigouche and Gloucester in the province of New Brunswick; 30

Towers,
poles,
structures,
etc.

(b) construct, manufacture, purchase, lease or otherwise acquire, lay, erect, maintain, repair, use and operate all such towers, cables, wires, poles, manholes, conduits, works, structures, buildings, plants, instruments, switch-boards, machinery, apparatus, appliances, implements, materials and supplies as may be necessary for the purposes of the Company's undertaking or as may appertain to its business, and dispose of the same in whole or in part; 35 40

Vessels,
etc.

(c) for the purposes of the Company's undertaking, construct, purchase, lease or otherwise acquire, charter, maintain and operate steamships and other vessels either within or without Canada, for the laying, maintenance and operation of submarine and sub-aqueous cables; 45

Clause 3. Section 8 presently reads as follows:

"8. The annual meeting of the Company shall be held on the first Thursday of September in each year."

The repeal of this section makes the date of the annual meeting conform with the requirements of the Companies Act, R.S. 1952 chapter 53, and with the fiscal year of the Company.

Clause 4. Section 10 presently reads as follows:

"10. The Company may—

- (a) construct, purchase, lease or otherwise acquire, maintain and operate lines of electric telephone and telegraph, over land or under water, or both, between any places in the Counties of Bonaventure and Gaspé in the Province of Quebec, and any place in the Counties of Restigouche and Gloucester, in the Province of New Brunswick;
- (b) construct, purchase, lease or otherwise acquire, maintain and operate extensions of the lines hereby authorized to any places in the Province of Quebec and to any places in the Province of New Brunswick;
- (c) construct, manufacture, purchase, lease or otherwise acquire, lay, erect, maintain, use and operate all such cables, wires, poles, conduits, works, structures, buildings, plant, machinery, apparatus, appliances, implements, materials and supplies as may be necessary for the purposes of the Company's undertaking or as may appertain to its business; and dispose of same;
- (d) for the purposes of the Company's undertaking, construct, purchase, lease, or otherwise acquire, charter, maintain and operate steamships and other vessels for the laying, maintenance and operation of submarine and sub-aqueous cables;
- (e) acquire and use any privilege granted by any federal, provincial or municipal authority; and acquire, use and dispose of any invention, letters patent of invention, or the right to use any inventions in any way connected with or appertaining to its business;
- (f) establish offices for the transmission and reception of messages."

The purpose of the new section is to obtain authority for the Company to exercise certain powers which experience has shown to be useful and necessary to the undertaking of a Telephone Company and which are normally granted to Telephone Companies.

Letters
patent.

(d) acquire and use any privilege granted by any federal, provincial or municipal authority and acquire, use and dispose of any invention, letters patent of invention, or the right to use any inventions in any way connected with or appertaining to its business;

5

Arrangements
with federal
etc., author-
ities.

(e) enter into any contracts or arrangements with any federal, provincial or municipal authority or any person or company for any purpose or work in the Company's interest, or that may seem conducive or incidental to the Company's objects, and to obtain from or give to any such federal, provincial or municipal authority, person or company, any rights, privileges and concessions which the Company may think it desirable to obtain or to give, and to carry out, exercise and comply with any such contract or arrangement;

15

Advancing
of money.

(f) upon such security as it may deem necessary, advance money to any corporation, company or person, to build or operate any telephone system or systems;

Contractors.

(g) as contractors for any other corporation, company or person, do anything as contractors which it might do for its own purpose;

20

Invest-
ments.

(h) invest and deal with any of the moneys (including moneys held by the Company to the credit of any of its sinking funds) of the Company not immediately required for the purposes thereof, upon such securities as trustees may under the laws of the province of Quebec invest in, and in such manner as they may think fit, and from time to time vary or realize such investments; and

25

Offices.

(i) establish offices for the transmission and reception of messages and transmit messages for the public and charge tolls and rates therefor.

30

Tolls to be
approved.

(2) No toll or charge shall be demanded or taken until it has been approved of by the Board of Transport Commissioners for Canada, which Board may also revise such tolls and charges.

35

Telephones.

(3) The provisions of the *Railway Act* relating to telephones, telephone systems or lines, shall apply to the Company."

5. Sections 11, 12 and 13 of the said Act are repealed and the following substituted therefor:

Disposal of
undertaking.

"11. The Company shall have power to sell and dispose of the undertaking of the Company and its rights and properties for such consideration as the Company may think fit: Provided that no such sale or disposal shall be made until it is approved by a meeting of shareholders duly called for that purpose, at which meeting two-thirds of the issued shares are represented by shareholders in person or by proxy, and provided further that no such

45

Proviso as
to approval of
shareholders.

Clause 5. Sections 11, 12 and 13 presently read as follows:

"11. Except as provided by section 13 of this Act, the Company, or any company whose line of telephone or telegraph is leased by the Company or under its control, shall not at any time be amalgamated with any company possessing powers similar to those of the Company; and any such amalgamation and any arrangement for making a common fund or pooling the earnings or receipts of the Company, or of any company whose line of telephone or telegraph is leased by the Company or under its control, with any company possessing powers similar to those of the Company, shall be absolutely void.

12. Except as provided by section 13 of this Act, the Company shall not sell, dispose of, or transfer any of its stock, or its rights, powers, privileges, charter or franchises, to any company possessing powers similar to those of the Company; nor shall the Company purchase or acquire or accept the transfer of any of the stock of any company possessing powers similar to those of the Company.

13. The Company may, however, by a resolution of the directors, confirmed by two-thirds in value of the shareholders present, or represented by proxy, at any annual meeting or at any special general meeting of the shareholders called for the said purpose, and if the said resolution has also been approved by the Governor in Council, do all and every the things prohibited by sections 11 and 12 of this Act."

sale or disposal shall take effect until it has been submitted to and approved of by the Board of Transport Commissioners for Canada.

Acquisition
of business
of other
companies.

12. The Company shall have power to purchase, take over, lease, amalgamate with or otherwise acquire from any other company or companies having objects in whole or in part similar to the objects of the Company all or any part of the property, real or personal, undertaking, business, powers, contracts, privileges and rights of any such company or companies that may have been conferred upon any such company or companies by charter, acts of incorporation, by-laws or contracts; conditional upon the assumption by the Company of the duties, obligations and liabilities of such other company with respect to the business rights and property so acquired as are not performed or discharged by such other company; Provided that no agreement therefor shall take effect until it has been submitted to and approved of by the Board of Transport Commissioners for Canada. And the Company shall have power to allot and issue to such company or companies or to the shareholders thereof or any one or more of them, shares, in the capital stock of the Company in payment in whole or in part of the said property, real or personal, undertaking, business, rights, contracts, powers and privileges of such company or companies, and to so allot and issue such shares as fully paid up or as partly paid up as shall be agreed upon between the Company and such company or companies, or any one or more of them.

Shares in
payment.

Sale, lease or
amalgama-
tion with
other
companies.

13. Sections 366, 367 and 368 of the *Railway Act* shall apply to the Company and to any company with which it may hereafter enter into any agreement for any of the purposes mentioned in sections 11 and 12 in all respects as if the said sections 366, 367 and 368 of the *Railway Act* applied to the said companies.

6. Section 16 of the said Act is repealed and the following substituted therefor:

Borrowing
powers.

"16. (1) If authorized by by-law, sanctioned by a vote of not less than two-thirds of the subscribed shares of the Company represented at a general meeting duly called for considering the by-law, the directors may from time to time.

- (a) borrow money upon the credit of the Company;
- (b) limit or increase the amount to be borrowed;

The new section 11 grants to the Company, subject to the approval of the Board of Transport Commissioners for Canada, powers normally granted to all Canadian companies under authority of the Companies Act.

The effect of the new section 12 is to give jurisdiction to the Board of Transport Commissioners with respect to power of the Company to amalgamate with, purchase and to sell its undertaking to companies having similar powers to its own and confers jurisdiction for approval of such transactions upon the Board of Transport Commissioners rather than upon the Governor in Council.

Section 13 confirms the jurisdiction of the Board of Transport Commissioners by applying to the Company the relevant sections of the Railway Act.

Clause 6. Section 16 presently reads as follows:

"16. If authorized by by-law, sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company represented at a meeting duly called for considering the by-law, the directors may, from time to time—

- (a) borrow money upon the credit of the Company;
- (b) limit or increase the amount to be borrowed;
- (c) issue bonds, debentures, or other securities of the Company, to an amount not exceeding two hundred thousand dollars and pledge or sell them for such sums and at such prices, as are deemed expedient; but no such bonds, debentures or other securities shall be for a less sum than fifty dollars each;
- (d) hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure any bonds, debentures or other securities, and any money borrowed for the purposes of the Company."

The purpose of the new section is to remove the limitation on the right of the Company to issue bonds, debentures or other securities of the Company in order to allow the Company, if necessary, to expand by way of borrowing in accordance with sound and accepted business practice.

(c) issue bonds, debentures, debenture stock or other securities of the Company for sums not less than twenty-five dollars each, and pledge or sell the same for such sums and at such prices as may be deemed expedient;

5

(d) hypothecate, mortgage or pledge the real or personal property, movable or immovable, or both, present and future, of the Company, to secure any such bonds, debentures, debenture stock or other securities and any money borrowed for the purposes of the Company.

10

Bills
and notes.

(2) Nothing in this section contained shall limit or restrict the borrowing of money by the Company on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Company."

7. The said Act is amended by adding thereto the 15 following as section 19:

R.S. 1952,
c. 233.

"19. It is hereby declared that subject to the provisions of the *Radio Act* and of any other statute of Canada relating to radio and radio broadcasting and to the regulations made thereunder, the Company has and always has had 20 the power to operate and furnish wireless telephone and radio-telephone systems and to provide services and facilities for the transmission of intelligence, sound, television, pictures, writing or signals."

Section 7. Section 19 is a new section. Its purpose is to clarify the Company's powers under its original act of incorporation with regard to the use of modern and more improved means of communication including radio, telephone and television.